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R. J. Reynolds Tobacco Company

WINSTON-SALEM, N. C.

FINANCIAL STATEMENT

DECEMBER 31, 1932.

MRD
CORP. FILE

Winston-Salem, N. C., January 12, 1933.

To the Stockholders of

R. J. REYNOLDS TOBACCO COMPANY:—

The Financial Report of your Company, at the close of business December 31, 1932, is hereby submitted.

Net Profit from operations for the year 1932, after deducting all charges and expenses of management, advertising, etc.	$40,043,763.59	
ADD		
Interest and Dividends on investments, and miscellaneous income, net	2,907,152.59	$42,950,916.18
LESS		
Allowance for Depreciation, Obsolescence, etc.	991,250.23	
Federal and State Income Taxes	8,284,865.67	9,276,115.90
NET EARNINGS FOR YEAR		33,674,800.28
DEDUCT		
Four quarterly dividends of seventy-five cents each per share		30,000,000.00
Balance carried to Undivided Profits		3,674,800.28
ADD		
Undivided Profits December 31, 1931		62,233,341.02
Total Undivided Profits December 31, 1932		$65,908,141.30

FINANCIAL STATEMENT

DECEMBER 31, 1932.

ASSETS

CURRENT			
Cash		$39,640,554.71	
U. S. Gov't Securities due 1933-1936		20,700,000.00	
Accounts Receivable (net) for merchandise sold		8,076,828.53	
Leaf Tobacco, Supplies, Manufactured Product		76,356,770.04	$144,774,153.28
OTHER ASSETS			
Real Estate, Buildings, Machinery, Fixtures		26,209,288.08	
Deduct Depreciation, Obsolescence, etc.	$10,177,616.40		
Less fully depreciated property written off during year, etc.	512,737.03	9,664,879.37	
		16,544,408.71	
Investments in Non-Competitive Companies, etc.*		18,329,443.10	
Bills and Notes Receivable		402,251.33	
Other Accounts Receivable		5,801,742.58	
Brands, Trade-Marks, Good Will		1.00	
Prepaid Expenses		367,855.86	41,445,702.58
			$186,219,855.86

* Including 585,000 shares Company's own stock—$18,208,641.83.

LIABILITIES

CURRENT		
Accounts Payable	$ 3,598,043.33	
Accrued Taxes and other Accrued Accounts	8,564,225.50	$ 12,162,268.83
RESERVES		
Contingencies		8,149,445.73
CAPITAL ACCOUNT		
Common Stock	10,000,000.00	
New Class B Common Stock	90,000,000.00	
Undivided Profits (after deduction of dividends payable January 1, 1933)	65,908,141.30	165,908,141.30
		$186,219,855.86

Respectfully,
R. D. SHORE, Treasurer.

WE HEREBY CERTIFY that we have examined the books of account and record of R. J. REYNOLDS TOBACCO COMPANY, Winston-Salem, N. C., at December 31, 1932, and it is our opinion that the above statement shows the true financial condition of the Company at the date stated, and that the accompanying Analysis of Undivided Profits Account is correct. Inventories of Leaf Tobacco, Supplies and Manufactured Product are valued at cost as in former years. The Company's holdings in its own stock are carried at the amount of the Company's net investment therein. Other investments are carried at less than cost and less than market price. As far as we could ascertain there were no contingent liabilities and we were informed none existed.

ERNST & ERNST,
Certified Public Accountants.